

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1580-01
Bill No.: HB 624
Subject: Public Assistance
Type: Original
Date: March 6, 2015

Bill Summary: This proposal specifies that the lifetime limit for temporary assistance for needy families benefits is 24 months.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes in response to similar legislation from the current session (SB 24) for §208.040.5 (5), the Department of Social Services (DSS), Family Support Division stated:

This section modifies the eligibility for the TANF program to reduce the lifetime eligibility limit from five years to two years.

As of October 2014, there are 22,551 active TANF cases, of which 21,038 cases are subject to the current five year lifetime eligibility limit. Of those subject to the lifetime limit, 9,698 have received TANF longer than 24 months and would lose eligibility under this section. **This would result in a reduction in TANF spending on cash assistance, but not a cost savings in TANF or the general revenue maintenance of effort (MOE) funding because all TANF/MOE must be spent on one of the four purposes of the TANF program:**

- 1) To provide assistance to needy families;
- 2) To end dependence of needy parents by promoting job preparation, work and marriage;
- 3) To prevent and reduce out-of-wedlock pregnancies; and
- 4) To encourage the formation and maintenance of two-parent families.

Savings resulting from this reduction would equal \$26,417,352 (9,698 cases x \$227 average monthly temporary assistance grant x 12 months). FSD anticipates a shift in spending from cash grants for eligible families to other purposes of the TANF program.

In addition, the Office of Administration (OA), Information Technology Services Division (ITSD) stated this section requires changes to the Family Assistance Management Information System (FAMIS) in the lifetime limit coding. Total costs are estimated to be \$6,450 (86 contractor hours X \$75/hr).

Oversight assumes for this fiscal note, the OA-ITSD can absorb the minimal time and expense that would be incurred should this proposal pass.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

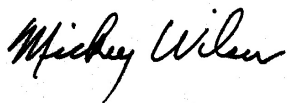
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services -
Family Support Division
Office of Administration -
Information Technology Services Division



Mickey Wilson, CPA
Director
March 6, 2015

Ross Strobe
Assistant Director
March 6, 2015